



SENT TO COUNCIL:

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Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

**SUBJECT: PRODUCTION OF ELI UNITS
AND SOURCES OF FUNDING**

DATE: September 17, 2001

Approved

Date

9.20.01

COUNCIL DISTRICT: Citywide

SNI AREAS: 13th Street, East Valley/680, Five
Wounds, Gardner/Atlanta, Tully/Senter

INFORMATION

BACKGROUND

At the August 6, 2001 meeting of the Economic Development and Environment Committee, the Housing Department was asked to provide a status report on the production of units affordable to extremely low-income (ELI) households and the anticipated use of the ELI Housing Reserve Fund in the Redevelopment Agency's 2001-02 Budget. This report responds to that request.

ANALYSIS

In early 1999, the City Council directed that the 20% Supplement funds in the Redevelopment Agency's 1998-99 Budget be spent exclusively on the production of units affordable to ELI households. Subsequent Council action extended that direction to cover the additional 20% Supplement funds in the Agency's 2000-01 Budget. The total amount of 20% Supplement funds in those two Agency Budgets, plus interest earned on initial disbursement of funds to the Housing Department, was \$14,614,618.

On May 8, 2001, during its final hearing on the City's Consolidated Plan, the City Council directed that the Redevelopment Agency set aside \$13.8 million for ELI-unit production in addition to the \$13.5 million of Agency funds already earmarked for that purpose (\$10 million of 20% Supplement and \$3.5 of Replacement Housing). This total commitment of \$27.3 million of Agency funds was named the "ELI Housing Reserve Fund."

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A chart attached to this report shows:

- The 20% Supplement funds budgeted by the Redevelopment Agency in the 1998-01 time frame have been fully committed by the City Council.
- The \$27.3 million in available funding from the Agency's 2001-02 ELI Housing Reserve Fund is projected to be outstripped by an estimated \$30.16 million demand from: (1) additional funding anticipated to be needed for the Las Plumas, Los Golondrinas and Tully Gardens II developments; and (2) a total of 13 developments that have not yet received an initial commitment of funding from the City Council.
- Over \$10 million in HOME and 20% Funds have also been committed to the production of ELI units, with an additional \$1.7 million anticipated to be committed in the current fiscal year. These funds are being used instead of Redevelopment Agency funding because: (1) the Creekview Inn and Pensione Esperanza project pre-dated the Agency's 20% Supplement appropriations; (2) the need to commit the federal HOME Investment Partnership program funds; and (3) and the greater flexibility under the HOME regulations to more specifically target certain client populations.

It should be noted that the actual expenditure of funds on affordable housing developments may not occur until a year or two after the City's commitment of those funds.

CONCLUSION

The Housing Department anticipates that, by June 2002, the Redevelopment Agency's 2001-02 ELI Housing Reserve Fund will be fully committed to the production of ELI units, and by that date, approximately 700 units affordable to ELI households will have received a total of \$53.7 million in financing commitments from the City.


LESLEYE CORSIGLIA
Acting Director of Housing

Attachment

cc: Housing Advisory Commission
Susan Shick, Redevelopment Agency Executive Director

PRODUCTION OF ELI UNITS and FUNDING SOURCES

September 4, 2001

Attachment

Funding Approved by City Council

Project Name	Council District	Project Type	Number of ELI Units	SOURCES OF FUNDING			Status
				1998-01 RdA 20% Supplement	2001-02 RdA ELI Hsg Reserve	20% Fund/ HOME Fund	
Creekview Inn	4	SRO	10			\$384,638	Completed in 1999
Pensione Esperanza	3	SRO	12			\$335,784	Completed in 1999
Las Plumas*	5**	Family	50	\$3,360,000			PD rezoning on hold
Northside	3	Seniors	15			\$550,000	Under construction
Gadberry Court	5	Seniors	5	\$450,000			Applied for tax credits 6/15/01
Betty Anne Gardens	4	Family	8	\$934,370			Applied for tax credits 6/15/01
Tully Gardens I	7	SRO	155	\$4,866,000		\$2,559,294	Applied for tax credits 6/15/01
Tully Gardens II	7	SRO	147	\$3,322,321	\$458,679	\$2,559,295	Applying for tax credits in 2002
El Paseo Studios	1	SRO	10	\$999,200			Applying for tax-exempt bonds in 10/01
Monte Vista Gardens I	5	Seniors	7	\$682,727			Under construction
Los Golondrinas***	5	Seniors	49		\$1,758,928		Construction budget being developed
HomeSafe/WATCH I	5	Family	24		\$750,000	\$3,750,000	Applied for tax credits 6/15/01
Projects to Date			492	\$14,614,618	\$2,967,607	\$10,139,011	

* The approved funding \$3.36 million will need to be supplemented (see page 2).

** Slated to be in Council District 3 after reapportionment ordinance becomes effective.

*** Permanent financing for the Los Golondrinas project will be converted from the acquisition loan approved by City Council to a grant. The approved permanent funding of \$1,104,000 will need to be supplemented (see page 2).

PRODUCTION OF ELI UNITS

and

FUNDING SOURCES

September 4, 2001

Attachment

Funding Not Yet Approved by City Council

Project Name	Council District	Project Type	Number of ELI Units	SOURCES OF FUNDING			Status
				1998-01 RdA 20% Supplement	2001-02 RdA ELI Hsg Reserve	20% Fund/ HOME Fund	
Vermont Street	6	SRO	9		\$308,700		To Council for funding 9/11/01
Reception Center	7	Family	10		\$750,000		To Council for funding 9/11/01
Las Plumas	5**	Family	0		\$2,472,500		PD zoning on hold
Los Golondrinas	5	Seniors	0		\$2,700,000		Construction budget being developed
Monte Vista Gardens II	5	Seniors	4		\$460,000		Applied for tax credits 6/15/01
Rose Avenue	5	Seniors	6		\$690,000		Applied for tax credits 6/15/01
Evans Lane - CHBA	6	Family	23		\$2,645,000		Predevelopment loan approved
Hacienda Villa	3	Seniors	8		\$920,000		PD rezoning filed
Quimby Road	8	Seniors	13		\$1,495,000		Predevelopment loan approved
13th & Berryessa	3	Family	19		\$2,185,000		General Plan amendment approved 8/01
W. San Carlos Street	6	Seniors	47		\$5,405,000		Design being negotiated with Planning
County Fairgrounds	7	Seniors	20		\$2,300,000		County to select developer by 10/01
County Fairgrounds	7	Family	15		\$1,725,000		County to select developer by 10/01
HomeSafe/WATCH II	6	Family	24		\$2,760,000		City-owned surplus property
Youth Build/City Year	3	Youth	15			\$1,725,000	RdA site selection process under way
Lewis Road	7	Family	6		\$690,000		General Plan amendment pending
Projects-in-Process Estimate			219	\$0	\$27,197,500	\$1,725,000	
GRAND TOTALS				711	\$14,614,618	\$30,165,107	\$11,864,011

Source: Housing Department
9/17/01